NOTIFICATION.

(FINANCE DEPARTMENT)

No FD 2 DCS 63, Bangalore, dated 6th June 1963

Ordered that the Compulsory Deposit (Income-tax Payers) Scheme, 1963 which has been published in the *Gazette of India* Extraordinary, Part II, Section 3, sub-section (i) No. G.S.R. 889, be re-published in the *Mysore Gazette*, for general information

By Order and in the name of the Governor of Mysore,

N. S BHARATH,
Deputy Secy to Govt, F.D.

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 25th May, 1963

G.S.R. **889** —In exercise of the powers conferred by section 5 of the Compulsory Deposit Scheme Act, 1963 (21 of 1963), the Central Government hereby makes the following Scheme, namely —

1 *Short title, commencement and application*—(1) This Scheme may be called the Compulsory Deposit (Income-tax payers) Scheme, 1963

(2) It shall come into force on the 1st July, 1963.

(3) It applies to all persons liable to payment of tax under the Income-tax Act, 1961 (43 of 1961)

2 *Definitions.*—In this Scheme, unless the context otherwise requires.

(a) "account" means a Compulsory Deposit Account under this Scheme,

(b) "Act" means the Compulsory Deposit Scheme Act, 1963 (21 of 1963),

(c) "assessment year" means a period of twelve months commencing on the 1st day of April every year,

(d) "depositor" means a person by whom or on whose behalf money is deposited under this Scheme,

(e) "deposit office" means—

(i) a Head Post Office or a Departmental Sub-Post Office transacting savings bank business,

(ii) an office of the Reserve Bank of India and a branch or office of the State Bank of India and any subsidiary bank of the State Bank of India excluding such office or branch as may be notified by the Central Government, and

(iii) any other office authorised by the Central Government to accept deposits under this Scheme.

(f) "officer in charge" includes an officer empowered under the rules of the deposit office to deal with the work relating to this Scheme

(g) "Form' means a form set out in the Schedule to this Scheme.

3. *Limits of Deposits* —(1) A depositor may deposit money under this Scheme up to the limits specified below :

Where his residual income is Rs 6,000 or less	3 per cent of such residual income,
Where his residual income exceeds Rs. 6,000.	3 per cent of the first Rs. 6,000 and 2 per cent of the balance thereof

Provided that where the total income of a depositor for the assessment year commencing on the 1st day of April, 1963 includes any income chargeable under the head 'Salaries', the deposit shall be limited to the amount bearing to the maximum amount of the deposit specified in this sub-paragraph the same proportion as the total income as reduced by the amount chargeable under the head—

(a) 'Salaries', and

(b) 'Capital gains', if any,

bears to the total income as reduced by the amount referred to in clause (b)

Explanation —In this sub-paragraph, the expressions 'Capital gains', and 'total income' have the meanings respectively assigned to them in section 45, and clause (45) of section 2 of the Income-tax Act, 1961.

(2) Where the amount of any deposit to be made under this Scheme contains a part of a rupee, then if such part of fifty naye paise or more, it shall be increased to one complete rupee and if such part is less than fifty naye paise, it shall be ignored

4 Manner of Deposit.— (1) A person by whom additional surcharge is payble in respect of any assessment year may make a deposit under this Scheme in respect of that year on or before the close of the year immediately preceding that assessment year and if he does so then, he shall be entitled to deduction from the additional surcharge of a sum equal to the sum so deposited or the maximum amount of deposit specified in sub-paragraph (1) of paragraph 3, whichever is less

Provided that in respect of the assessment year commencing on the 1st day of April 1963, the depositor may make the deposit any time within 30 days of the service of the notice of demand reffered to in section 156 of the Income-tax Act, 1961 for that year or by the 31st day of March, 1964, whichever is earlier

Provided further that where in assessment in respect of the assessment year commencing on the 1st day of April, 1963 has been completed before this Scheme comes into force, the depositor may make the deposit for that year within three months from the date of commencement of this Scheme and if he does so he shall be entitled to deduction from the additional surcharge and to a refund of the excess amount, if any of the additional surcharge already paid by him

(2) Any person who is in receipt of any income under the head "Salaries" during a financial year may make a deposit in that year and if he does so then, he shall be entitled to deduction from the additional surcharge of a sum equal to the sum so deposited or the maximum amount of deposit as specified in sub-paragraph (1) of paragraph 3, whichever is less

(3) Any person who is liable to pay advance tax under the Income-tax Act, 1961 in any financial year may make a deposit in that year and if he does so, then, he shall be entitled to deduction

from the additional surcharge of a sum equal to the sum so deposited or the maximum amount specified in sub-paragraph (1) of paragraph 3, whichever is less

(4) Every person desiring to make a deposit under this Scheme for the first time shall apply to the deposit office in Form A, or as near thereto as may be, together with the amount of deposit

(5) On receipt of an application under sub-paragraph (4), the deposit office shall open an account in the name of the depositor and issue a pass book to the depositor wherein all amounts deposited by him shall be entered over the signature of the officer in charge with the date stamp

(6) Every deposit shall be made in cash, or by crossed cheque drawn in favour of the deposit office on a bank at the place where the deposit office is situated, into the office at which the account stands:

Provided that where the deposit is made into a post office such deposit may be made by cheques only at places where clearing house facilities are available

(7) Every deposit shall be evidenced by receipt issued in Form B, or as near thereto as may be, by the deposit office.

5 Procedure for claiming deduction from additional surcharge —(1) The receipts or the certificate issued by the deposit office shall be forwarded along with the return of income filed before the Income-tax Officer in proof of having made the deposit. The Income-tax Officer may, for the purposes of verification, require the depositor to produce the pass book issued to him

(2) Any person who is in receipt of any income under the head 'Salaries' during any financial year may forward a statement to the person responsible for paying that income declaring the amount he has already deposited under this Scheme and the amount, if any, which he would further deposit before the close of that year The person responsible for paying the salaries may, for the purposes of verification, require the depositor to produce the pass book issued to him

(3) Any person who is liable to pay advance tax under the Income-tax Act, 1961 in any financial year may, on or before the 31st of March of that year, forward a statement to the Income-tax Officer concerned declaring the amount which he has already deposited under this Scheme The Income-tax Officer may, for the purposes of verification, require the depositor to produce the

receipts, and if any such receipt is lost, a certificate, or the pass book issued to him

6 Deposits on behalf of minors —Any person may apply to a deposit office for opening an account on behalf of a minor

7 Number of deposits —The amount to be deposited in any year may be deposited either in one lump sum or in two or more instalments in that year

Provided that not more than one deposit shall be made in any month.

8 Transfer of account —A depositor may apply for transfer of his account from one post office to another, from one office of the Reserve Bank of India to another or from any branch or office of the State Bank of India or its subsidiary bank to any of its other branches or offices.

9 Issue of duplicate pass books, etc —(1) In the event of loss or destruction of a pass book issued by the deposit office, the office may, on application made to it in this behalf and on payment of a fee of Re 1/- issue a duplicate thereof.

(2) A deposit office may on application made to it in this behalf and on payment of a fee of Re. 1/- grant the applicant a certificate in respect of a deposit or deposits made by the applicant under this Scheme during the year.

10 Interest —The deposit made under this Scheme shall bear simple interest at the rate of four per cent per annum to be calculated from the first day of the month immediately following the month in which the deposit is made to the last day of the month immediately preceding the month in which it is repaid (both days inclusive) and the amount of such interest shall be free of any tax under the Income-tax Act, 1961.

11. Repayments --(1) The amount deposited in excess of the limits specified in sub-paragraph (1) of paragraph 3 shall be repayable without interest after the close of the year to which the deposit relates on production by the depositor of a certificate from the Income-tax Officer indicating the maximum amount of deposit payable by him under this Scheme for that year

(2) Subject to the provisons contained in sub-paragraph (3), any deposit made under this Scheme during any year shall be repayable with interest thereon at the office at which the account

stands after the expiry of five years from the end of the year in which the deposit was made

(3) The depositor or, in the event of his death, his nominee or heir may apply to the deposit office for earlier repayment of the amount standing to the credit of the depositor The officer in charge of the deposit office shall, after verifying the account of the depositor forward the application to the authority empowered by the Central Government in this behalf On receipt of the application the authority shall, by order in writing, authorise the deposit office to repay the deposit together with interest thereon, if the authority is satisfied that genuine hardship would be caused unless such earlier repayment is made

(4) The repayment of a deposit shall be made only on the production of the pass book accompained by an application in Form C, or as near thereto as may be

12. Repayment where the account is held on behalf of a minor —(1) Subject to the provisions contained in sub-paragraph (2) of paragraph 11, repayment of the deposit together with interest thereon standing to the credit of a minor may be made, during the period of his minority, to his parent or guardian for the use of the minor

(2) Subject to the provisions contained in sub-paragraph (1) of paragraph 11, any amount deposited in excess of the limits specified in sub-paragraph (1) of paragraph 3 in the account of a minor may, during his minority, be refunded to the person who opened the account on behalf of the minor or, if that person is dead, to the parent or guardian of the minor

(3) An account opened on behalf of a minor shall be operated upon by him on his attaining majority under the Indian Majority Act, 1875 (9 of 1875) and on his being identified to the satisfaction of the officer in charge of the deposit office.

13 Nomination —(1) A depositor who is an individual may nominate in Form D, or as near thereto as may be, one or more persons, who shall be entitled to receive the deposit to his credit with interest thereon, in the event of his death before the amount has become payable or, having become payable, has not been paid

(2) Where the deposit together with the interest thereon, is payable to two or more nominees end either or any of them is dead, the amount shall be paid to the surving nominee or nominees

(3) No nomination shall be made in respect of an account opened and held on behalf of a minor

(4) A nomination made by a depositor may be cancelled or varied by a fresh nomination in Form E, or as near thereto as may be, by giving notice in writing to the deposit office in which the account stands.

(5) Every nomination and every cancellation or variation thereof shall be registered in the deposit office and shall be effective from the date of such registration, the particulars of which shall be entered in the pass book

(6) If the nominee is a minor, the depositor may appoint any person to receive the amount due under the account, in the event of his death during the minority of the nominee.

14 Protection against attachment —The amount standing to the credit of any depositor shall not be liable to attachment under any decree or order of any court in respect of any debt or liability incurred by the depositor

SCHEDULE

FORM A

[*See* paragraph 4(4)]

Application for opening a Compulsory Deposit Account under the Compulsory Deposit (Income-tax payers) Scheme, 1963

To

The .. ..

. . . .

I/We hereby apply for opening an account under the Compulsory Deposit (Income-tax payers) Scheme, 1963, in the name(s) of .... son/daughter/wife of ... . . . and tender herewith Rs. .... (Rupees . .. . only) in cash/by cheque as the initial amount of deposit.

* If the account is to be opened on behalf of a minor.

Date of birth of the minor ..... .
Applicant's relationship with the minor, if any . ...

Specimen signature of the Depositor/ guardian/other person.

Signature of the Depositor/guardian/ other person.

Permanent address

The account has been opened on ... . with Rs. ... . under Compulsory Deposit Account No. ... .. . Pass Book has been issued.

Signature of the Officer in charge.

Date Stamp

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*Strike out if not applicable.

FORM B

[*See* paragraph 4(7)]

Receipt for the Deposit under the Compulsory Deposit (Income-tax payers) Scheme, 1963.

Name of the deposit office . ...
Receipt No . . . . . .
Received Rs .. (Rupees . . .. only)
from . .. . .
for credit into Compulsory Deposit Account No. . ...
Date Stamp

Signature of the Officer in charge.

FORM C

[*See* paragraph 11 (4)]

Application for Repayment of the Deposits under the Compulsory Deposit (Income-tax prayers) Scheme, 1963.

Date ————————————
Place ————————————

To

————————————
————————————
————————————

I wish to withdraw the amount deposited by me during the year 19 ———— in my Compulsory Deposit Account No. ———— together with interest thereon. The Pass Book is enclosed

Signature of the depositor ————————————

(To be filled in by the deposit office)

Amount deposited in Account No. ————
in the year 19 ———— Rs
Interest up to ———— Rs.
Total Rs.
Passed for payment of Rs ———— Rupees ————

Signature of the Officer in charge.

Received payment as above.

Signature of the Depositor

Note.—If the depositor desires to collect the amount through his banker or messenger, he shall send a separate letter of authority in favour of his banker/messenger along with the pass-book and the application form, duly completed.

FORM D

[*See* paragraph 13(1)]

Nomination under the Compulsory Deposit (Income-tax payers) Scheme, 1963.

To

The . .. .

... .

I hereby nominate the person/persons mentioned below to whom, in the event of my death, the amount standing to my credit in Compulsory Deposit Account No .. .. at the time of my death would be payable.

Serial No.	Name of the nominee	Full address	Date of birth of nominee in case of minor

As the nominee/nominees against Serial No /Serial Nos specified above is a/are minor/minors, I appoint——————————
(name and full address)
as the person to receive the amount due under the said account in the event of my death during the minority of the nominee/nominees.

Signature of Depositor

Witness.

The nomination has been registered on.....
and an entry made in the Pass Book

Date Stamp

Signature of the Officer in charge.

FORM E

[*See* paragraph 13(4),

Application for cancellation or variation of nomination previously made in respect of the Compulsory Deposit Account No .. . . . under the Compulsory Deposit (Income-tax payers) Scheme, 1963

I, ... the depositor of Compulsory Deposit Account No ..... hereby cancel the nomination made by me in respect of the Compulsory Deposit Account No . . ... .

*In the place of the cancelled, nomination, I hereby nominate the person(s) mentioned below who shall, on my death, become entitled to the payment of the sum due on the above Account to the exclusion of all other persons.

Serial No	Name of the nominee	Full address	Date of birth of nominee in case of minor

*To be filled in case replacement only.

As the nominee(s) against Serial No /Serial Nos specified above is a/are minor/minors, I appoint———————————————

(name and full address)

as the person to receive the sum due under the said account in the event of my death during the minority of the nominee/nominees.

Signature of Depositor.

Witness

The nomination has been registered on . ... , and an entry made in the Pass Book.

Date Stamp

Signature of the Officer in charge.

[No F. 3(6)-NS/63.]

SHIV NAUBH SINGH, Jt. Secy.